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TOWN OF NEW HOULKA, MISSISSIPPI

P. O. Box 416

Houlka, Mississippi 38850

August 21, 2020

Office of the State Auditor

P. O. Box 956

Jackson, MS 39205

Re: Annual Municipal Audit

Accompanying this letter is a copy of the Annual Compilation of the Town of New Houlka, Mississippi, for the fiscal year ended September 30, 2019. A separate management letter was not written to the town in connection with this audit.

Sincerely

Mayor

Enclosures

Town of New Houlka, Mississippi

Annual Compilation

For the Fiscal Year Ended September 30, 2019

W KEITH POUNDS LTD
444 EAST MADISON STREET
HOUSTON, MISSISSIPPI 38851

Telephone 662-456-3334
Fax 662-456-4229

Board of Aldermen
Town of New Houlka
P. O. Box 192
Houlka, MS 38850

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of New Houlka, Mississippi, as of September 30, 2019, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood that the report is solely for the use of the governing body of the Town of New Houlka, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. My procedures and findings are as follows:

1. I reconciled cash on deposit with the following banks to balance in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

Bank	Fund	Balance per General Ledger
Bank of Okolona	General	\$ 46,197.05
	Fire Department	\$ 12,271.29
	Clearing	\$ (6,351.27)
	Police Fund	\$ 3,505.47
	Police Appreciation Fund	\$ 2,387.88
Total General Fund		\$ 58,010.42
Bank of Okolona	Employment Golden Savings	\$ 1,792.28
	BP Street Grant	\$ 200,100.00
Total Special Revenue Fund		\$ 201,892.28
Bank of Okolona	Waterworks & Sewer Revenue	\$ 83,947.76
	Public Funds, Water Meter Dep	\$ 29,748.95
	Reserve Account	\$ 7,700.00
Total Proprietary Fund		\$121,396.71

2. I physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323 Miss. Code Ann. (1972).

The town held no Certificates of Deposits or other investments at 9-30-19.

3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Verified use of certified county assessment rolls and trace levies to governing body minutes;
 - b. Examined uncollected taxes for proper handling, including tax sales;
 - c. Traced distribution of taxes collected to proper funds; and
 - d. Analyzed increase in taxes for most recent period for compliance with increased limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

Taxes are collected for city by the county tax assessor and remitted monthly to city according to county assessment tax rolls.

4. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception.

Payments traced were as follows:

Payment Purpose	Receiving Fund	General Ledger Amount
Fire Protection Location	General	\$ 3,694.73
General Municipal Aid	General	\$ 312.17
Gasoline Tax	General	\$ 1,917.08
TVA Payments in Lieu	General	\$ 5,705.11
Sales Tax Allocation	General	\$ 95,699.61
Homestead Exemption	General	\$ 7,958.33
BP Grantor Street Project	Special	\$ 200,000.00
Water Pollution Control Fund	Proprietary	\$ 55,000.00

5. I selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	Dollar Value of Sample
106	\$ 167,810.93

I found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

6. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found the municipalities to be in agreement with the requirements of the above-mentioned sections.

Board of Aldermen
August 21, 2020
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7. I have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of non-compliance with state regulations.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, I do not express an opinion on any of the specific accounts or classes or transactions referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the items specified in Paragraphs 1, 2, and 3 should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of New Houlka, Mississippi, for the year ended September 30, 2019.



W. Keith Pounds
Certified Public Accountant

August 21, 2020

W. KEITH POUNDS, LTD

Certified Public Accountant

444 East Madison Street
Houston, Mississippi 38851

Telephone 662-456-3334

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Alderman
Town of New Houlka, Mississippi
P. O. Box 192
Houlka, Mississippi 38850

The accompanying Combined Statement of Revenues, Expenses, and Fund Balances (All Funds) – Cash Basis, Schedule of Long-Term Debt, and Schedule of Surety Bonds for town officials of the Town of New Houlka, Mississippi, for the year ended September 30, 2019, were compiled by me in accordance with Standards Established by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles.

Our compilation is limited to presenting in the form prescribed by the Mississippi State Department of Audit information that is the representation of the town officials. We have not audited or reviewed the accompanying statements and, accordingly, do not express an opinion or any other form of assurance on them.

These statements are presented in accordance with the requirements of the Mississippi State Department of Audit and exclude the Statement of Assets, Liabilities and Equity – Cash Basis and substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's Assets, Liabilities, Equity, Revenues and Expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.



W. Keith Pounds
Certified Public Accountant

August 21, 2020

Town of New Houlka, Mississippi
Combined Statement of Cash Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2019

	GENERAL	SPECIAL REVENUE	PROPRIETARY FUND	TOTALS	
				9/30/2019	(MEMORANDUM ONLY) 9/30/2018
REVENUE RECEIPTS:					
General Property Taxes	92,950.61			92,950.61	89,609.74
Licenses and Permits	1,010.00			1,010.00	660.00
Franchise Tax on Utilities	11,001.70			11,001.70	11,519.95
TVA Housing	7,501.54			7,501.54	5,852.18
INTERGOVERNMENTAL REVENUES:					
State Shared Revenues:					
Sales Tax	95,699.61			95,699.61	100,633.41
Gasoline Tax	1,917.08			1,917.08	1,917.08
Fire Protection	3,694.73			3,694.73	3,573.39
Homestead Exemption	7,958.33			7,958.33	7,768.66
TVA Payments in Lieu of Taxes	5,705.11			5,705.11	6,074.65
General Municipal Aid	312.17			312.17	312.17
BP Street Grant		200,000.00		200,000.00	
MDEQ Grant			55,000.00	55,000.00	
Chickasaw County School	2,000.00			2,000.00	
CHARGES FOR SERVICES:					
Water and Sewer Revenue			439,917.92	439,917.92	412,251.71
Rentals	3,245.00			3,245.00	4,825.00
FINES AND FORFEITS:					
Fines	9,519.89			9,519.89	6,950.01
OTHER RECEIPTS:					
Transfers		100.00		100.00	11,562.62
Other Deposits	5,771.28			5,771.28	38.84
Donations	1,177.00			1,177.00	1,245.55
TOTAL RECEIPTS	249,464.05	200,100.00	494,917.92	944,481.97	664,794.96
Cash Balance - Beginning	66,961.13	1,799.28	97,271.26	166,031.67	114,926.62
TOTAL AMOUNT TO ACCOUNT FOR	316,425.18	201,899.28	592,189.18	1,110,513.64	779,721.58

Town of New Houlka, Mississippi
Combined Statement of Cash Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2019

	GENERAL	SPECIAL REVENUE	PROPRIETARY FUND	TOTALS (MEMORANDUM ONLY)	
				9/30/2019	9/30/2018
OPERATING DISBURSEMENTS:					
General Government (Executive and Financial)	105,444.28	7.00		105,451.28	83,472.75
<u>Public Safety:</u>					
Police	119,379.35			119,379.35	120,120.01
Fire	89.53			89.53	865.30
Highways and Streets	14,339.90			14,339.90	9,717.50
Library	2,748.10			2,748.10	2,748.10
Parks and Recreation	655.07			655.07	2,806.37
Utilities for Public Property	12,535.53		320,842.22	12,535.53	12,381.95
Water and Sewer Expense			16,286.36	320,842.22	317,248.24
Interest				16,286.36	17,706.37
TOTAL OPERATING DISBURSEMENTS	255,191.76	7.00	337,128.58	592,327.34	567,066.59
OTHER DISBURSEMENTS:					
MDA Payment			3,564.65	3,564.65	3,205.60
USDA Bond Repayment			20,893.14	20,893.14	19,751.26
Payment-Police Trucks					3,402.58
Payment - Sewer Machine			8,956.09	8,956.09	8,701.26
Transfers	100.00			100.00	11,562.62
Police Equipment	3,123.00			3,123.00	
Water & Sewer Equipment			19,750.01	19,750.01	
Sewer Project			55,000.00	55,000.00	
Land for Sewer Project			25,500.00	25,500.00	
TOTAL OTHER DISBURSEMENTS	3,223.00	0.00	133,663.89	136,886.89	46,623.32
TOTAL DISBURSEMENTS	258,414.76	7.00	470,792.47	729,214.23	613,689.91
Cash Balance - Ending	58,010.42	201,892.28	121,396.71	381,299.41	166,031.67
TOTAL AMOUNT ACCOUNTED FOR	316,425.18	201,899.28	592,189.18	1,110,513.64	779,721.58

Town of New Houlka, Mississippi

Notes to Financial Statements

September 30, 2019

Note A: Summary of Significant Accounting Policies

General Information

The town operated under the Mayor -- Board of Aldermen form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the town consists of all the funds of the town.

Fund Accounting

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Note B: Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

Town of New Houlka, Mississippi
Schedule of Long-Term & Short-Term Debt
For the Fiscal Year Ended September 30, 2019

DEFINITION & PURPOSE	BALANCE OUTSTANDING OCTOBER 1, 2018	TRANSACTIONS DURING FISCAL YEAR		BALANCE OUTSTANDING SEPTEMBER 30, 2019
		ISSUED	REDEEMED	
Long-Term Debt: Water and Sewer Revenue Bonds: Rural Development Rural Development	\$ 21,281.66	0.00	\$ 7,761.96	\$ 13,519.72
	\$ 271,222.20	0.00	\$ 13,131.20	\$ 258,091.00
Total Revenue Bonds	\$ 292,503.86	0.00	\$ 20,893.14	\$ 271,610.72
Other Long-Term Debt:				
Bancorp South-Sewer Machine	\$ 31,697.80	0.00	\$ 8,956.09	\$ 22,741.71
MDA Capital Improvement Loan	\$ 38,705.48	0.00	\$ 3,564.65	\$ 35,140.83
Total Other Long-Term Debt	\$ 70,403.28	0.00	\$ 12,520.74	\$ 57,882.54
Total Debt:	\$ 362,907.14	\$ 0.00	\$ 33,413.88	\$ 329,493.26

**Town of New Houlka, Mississippi
Schedule of Surety Bonds for Municipal Officers
September 30, 2019**

NAME	POSITION	SURETY	BOND AMOUNT
Jimmy Kelly	Mayor	Brierfield Insurance	\$ 50,000
K. C. Gates	Alderman	MS Municipal Bond Program	\$ 10,000
Kimberly Murphree	Alderwoman	MS Municipal Bond Program	\$ 10,000
Beverly Davidson	Alderwoman	MS Municipal Bond Program	\$ 10,000
Dustin Eaton	Alderman	MS Municipal Bond Program	\$ 10,000
Bonnie Brown	Alderwoman	MS Municipal Bond Program	\$ 10,000
Janie Tutor	City Clerk	Traveler's	\$ 50,000
Phillip Smith	Police Chief	Travelers	\$ 50,000